




CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 30, 2018


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

ACIS CAPITAL MANAGEMENT, L.P.,
ACIS CAPITAL MANAGEMENT GP, LLC,

Debtors.

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CHAPTER 11 CASES

CASE NO. 18-30264-sgj11
(Jointly Administered)

**ORDER (I) CONDITIONALLY APPROVING DISCLOSURE STATEMENT, (II) SCHEDULING
COMBINED HEARING ON FINAL APPROVAL OF DISCLOSURE STATEMENT AND
CONFIRMATION OF PLAN, AND SETTING RELATED DEADLINES, (III) APPROVING
FORMS FOR VOTING AND NOTICE, AND (IV) APPROVING RELATED MATTERS**

Came on to be considered the *Chapter 11 Trustee's Motion for Entry of Order (A) Conditionally Approving Disclosure Statement; (B) Scheduling Combined Hearing on Final Approval of Disclosure Statement and Confirmation of Plan, and Setting Related Deadlines; (C) Approving Forms for Voting and Notice; and (D) Granting Related Relief* (the "Motion") [Docket No. 407] filed by Robin Phelan (the "Trustee"), as Chapter 11 Trustee for Acis Capital Management, L.P. and Acis Capital Management GP, LLC (together, the "Debtors"). The Court conducted an expedited hearing on the Motion on July 25 and July 30, 2018 (the "Hearing").

The Court hereby finds that it has jurisdiction over this matter pursuant to 28 U.S.C §§ 157 and 1334, and this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Court further finds that due notice of the Motion and Hearing was given and is sufficient under the circumstances, and that no other or further notice need be provided.

The following responses were filed with respect to the Motion: (a) *Reservation of Rights of the Issuers and Co-Issuers with Respect to Chapter 11 Trustee's Motion for Conditional Approval of Disclosure Statement and Related Relief* [Docket No. 426]; (b) *Objection of Highland CLO Funding, Ltd. to Chapter 11 Trustee's Motion for Entry of Order (A) Conditionally Approving Disclosure Statement; (B) Scheduling Combined Hearing on Final Approval of Disclosure Statement and Confirmation of Plan, and Setting Related Deadlines; (C) Approving Forms for Voting and Notice; and (D) Granting Related Relief* [Docket No. 431]; and (c) *Highland Capital Management, L.P.'s (I) Objection to the Motion for Entry of Order (A) Conditionally Approving Disclosure Statement; (B) Scheduling Combined Hearing on Final Approval of Disclosure Statement and Confirmation of Plan, and Setting Related Deadlines; (C) Approving Forms for Voting and Notice; and (D) Granting Related Relief; and (II) Reservation of Rights* [Docket No. 432] (collectively, the "Objections").

Having considered the Motion, the Objections, the arguments of counsel and the evidence admitted at the Hearing, the Court further finds that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors. Upon all the proceedings had before the Court, and after due deliberation and sufficient cause appearing therefor, the Court finds that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein.

ACCORDINGLY, it is hereby **ORDERED** that:

1. The Motion is hereby **GRANTED** to the extent set forth herein.
2. Unless otherwise indicated, capitalized terms not defined herein shall have the meaning attributed to such terms in the Motion.

3. To the extent not consensually resolved as reflected by the terms of this Order, the Objections are hereby overruled.

4. The *Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the First Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the “Disclosure Statement”) [Docket No. 442 is conditionally approved for the purpose of solicitation of votes on the *First Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the “Plan”) [Docket No. 441] pending a final determination at the Combined Hearing.

5. The forms of ballots attached as Exhibit “A” and Exhibit “B” to the Motion, completed in conformity with this Order, are approved in all respects for use in solicitation of votes on the Plan.

6. The form of transmittal letter attached as Exhibit “C” to the Motion, completed in conformity with this Order, is approved in all respects for use in solicitation of votes on the Plan.

7. On July 30, 2018, the Trustee shall serve packages (“Solicitation Packages”) on holders of claims in Classes 2, 3 and 4 and Subclasses 5A and 5B and holders of Class 6 equity interests under the Plan, which Solicitation Packages shall include (a) a copy of the Disclosure Statement, with a copy of the Plan attached as an exhibit thereto, (b) a copy of this Order, (c) a ballot for voting on the Plan, and (d) the transmittal letter approved herein. The Trustee shall not be required to serve Solicitation Packages on holders of any Class 1 Claims.

8. On July 30, 2018, the Trustee shall also serve notice-only packages (the “Notice Packages”) on the noteholders in Acis CLO 2013-1 LTD, Acis CLO 2014-3 LTD, Acis CLO 2014-4 LTD, Acis 2014-5 LTD, and Acis 2015-6 LTD (collectively, the “Acis CLOs”), which Notice Packages shall include (a) a copy of the Disclosure Statement, (b) a copy of the Plan, (c) a copy of this Order, and (d) a copy of the Combined Hearing Notice. In the event any notes in the Acis CLOs are held by Cede & Co., as the nominee for the Depository Trust Corporation, on behalf of any beneficial noteholders, the Trustee is authorized to send the *Notice of Solicitation of First*

Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC attached hereto as **Exhibit “1”** to Cede & Co. on behalf of such beneficial noteholders.

9. To be counted as votes to accept or reject the Plan, all ballots must be properly executed, completed and delivered to the following address by no later than **4:00 p.m., Central Time, on August 13, 2018** (the “Voting Deadline”):

Acis Capital Management Ballot
Attn: Linda Breedlove
Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
Fax: (817) 877-4151

Ballots may be faxed to the fax number set forth above so long as they are received by the Voting Deadline. Ballots received after the Voting Deadline will not be counted except upon further order of the Court.

10. The Trustee is authorized to tabulate ballots on a consolidated basis. The Trustee shall file a tabulation of ballots with the Clerk of the Court by no later than **August 17, 2018**, with a copy to be concurrently served upon any party that has filed a timely objection to confirmation of the Plan.

11. The Combined Hearing Notice attached as Exhibit “D” to the Motion, completed in conformity with this Order, is approved in all respects. The Trustee shall serve the Combined Hearing Notice on **July 30, 2018**.

12. A Combined Hearing to consider the adequacy and final approval of the Disclosure Statement and confirmation of the Plan will be held before the Honorable Stacey G. C. Jernigan, United States Bankruptcy Judge, Earle Cabell Federal Building, 1100 Commerce Street, Courtroom No. 1 on the 14th Floor, Dallas, Texas 75242 beginning on **August 21, 2018, at 9:30 a.m., Central Time**. The Combined Hearing may be continued from time to time by the Court without further notice other than the announcement of the adjourned date at the Combined Hearing or any continuation thereof.

13. Pursuant to Bankruptcy Rule 9006(c), the Trustee has shown cause to reduce the 28-day notice period of Bankruptcy Rule 2002(b) with respect to the deadline for filing objections to final approval of the Disclosure Statement and confirmation of the Plan.

14. The Trustee shall file a brief (the "Limited Issues Brief") by **4:00 p.m., Central Time, on August 10, 2018** with respect to (a) issues related to section 1142 of the Bankruptcy Code in connection with the proposed transfer of Highland CLO Funding, Ltd.'s subordinated notes under the Plan A alternative of the Plan, and (b) issues related to sections 365 and 1123(a)(5)(F) of the Bankruptcy Code in connection with the proposed modification of the existing Indentures (as defined in the Plan) under the Plan B and Plan C alternatives of the Plan.

15. Any response to the Limited Issues Brief (a "Limited Issues Response") must be in writing and filed with the Clerk of the Court by **4:00 p.m., Central Time, on August 16, 2018**.

16. Objections, if any, to (a) the adequacy and final approval of the Disclosure Statement, and/or (b) confirmation of the Plan (other than objections regarding the matters at issue in the Limited Issues Brief) must be made by written objection (a "Plan / Disclosure Statement Objection") and filed with the Clerk of the Court by **4:00 p.m., Central Time, on August 13, 2018**.

17. Any creditor or party in interest that files a Limited Issues Response and/or a Plan / Disclosure Statement Objection shall, upon filing such document(s), concurrently serve a copy of such document(s) on (a) any parties that have filed a notice of appearance and request for notices in the Debtors' bankruptcy cases, at the addresses set forth therein, by United States Mail, and (b) the parties listed below via email or fax, at the email addresses or fax numbers set forth below, with a hard copy to be deposited in the United States Mail addressed to such parties at the addresses set forth below:

Jeff P. Prostok
Suzanne K. Rosen
Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
Fax: 817-877-4151
Email: jprostok@forsheyprostok.com
Email: srosen@forsheyprostok.com

United States Trustee
Attn: Lisa L. Lambert, Asst. U.S. Trustee
1100 Commerce Street, Room 976
Dallas, TX 75242
Email: Lisa.L.Lambert@usdoj.gov

Rakhee V. Patel
Phillip Lamberson
Joe Wielebinski
Annmarie Chiarello
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
Fax : 214-745-5390
Email: rpatel@winstead.com
Email: plamberson@winstead.com
Email: jwielebinski@winstead.com
Email: achiarello@winstead.com

18. Any response to a timely filed and served Plan / Disclosure Statement Objection must be made by written response and filed with the Clerk of the Court and served by no later than **August 17, 2018**.

19. Any reply to a timely filed and served Limited Issues Response must be made by written reply and filed with the Clerk of the Court by **4:00 p.m., Central Time, on August 20, 2018**.

20. Any pre-trial brief (other than briefs addressing the matters at issue in the Limited Issues Brief) must be filed with the Clerk of the Court and served by no later than **August 17, 2018**.

21. The Trustee has also shown cause to shorten certain deadlines with respect to discovery in connection with the matters to be considered at the Combined Hearing, and the following deadlines and requirements shall govern discovery and trial preparation matters:

- a. all written discovery shall be sent by no later than **August 2, 2018**;
- b. preliminary lists of witnesses shall be provided by all parties by no later than **August 2, 2018**;
- c. the parties shall provide expert witness designations, if any, and reports, if any, required by Federal Rule of Civil Procedure 26(a)(2)(A) and (B), as incorporated by

Bankruptcy Rule 7026, by **4:00 p.m., Central Time, on August 10, 2018**, and rebuttal expert reports, if any, shall be provided by no later than **August 15, 2018**;

d. the deadline for any responses or objections to discovery for all parties is hereby shortened to **thirteen (13) days from service**;

e. the deadline for any responses or objections to written discovery for all parties shall be the earlier of (i) **thirteen (13) days from service** of the written discovery, or (ii) **August 15, 2018**;

f. all witnesses for the Combined Hearing shall be designated by no later than **August 15, 2018**;

g. if the parties cannot agree on the scope of discovery, time to respond, or time to produce/appear, the Court shall consider any such dispute on an expedited basis, including via telephonic hearings, subject to the Court's availability;

h. all depositions shall be held on reasonable notice and, unless otherwise agreed to in writing by the parties, **seven (7) days' notice** shall be required for all depositions;

i. all depositions shall be completed by no later than **August 17, 2018**;

j. each party must file its Witness and Exhibit List for the Combined Hearing by no later than **August 17, 2018**; and

k. all exhibits, except impeachment exhibits, shall be marked with exhibit labels and exchanged with opposing counsel contemporaneous with the filing of a party's Witness and Exhibit List.

22. This Court shall retain jurisdiction over all matters arising from or related to this Order.

End of Order

Exhibit “1”

[Notice to CLO Noteholders]

Jeff P. Prostok – State Bar No. 16352500
J. Robert Forshey – State Bar No. 07264200
Suzanne K. Rosen – State Bar No. 00798518
Matthew G. Maben – State Bar No. 24037008

FORSHEY & PROSTOK LLP

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CHAPTER 11 TRUSTEE**

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Phillip Lamberson – State Bar No. 00794134
Joe Wielebinski – State Bar No. 21432400
Annmarie Chiarello – State Bar No. 24097496

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**SPECIAL COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

ACIS CAPITAL MANAGEMENT, L.P.,
ACIS CAPITAL MANAGEMENT GP, LLC,

Debtors.

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CHAPTER 11 CASES

CASE NO. 18-30264-sgj11
(Jointly Administered)

**NOTICE OF SOLICITATION OF FIRST AMENDED JOINT PLAN FOR ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC**

TO THE BENEFICIAL HOLDERS OF THE NOTES IN THE FOLLOWING “ACIS CLOs”:

ACIS CLO 2013-1 LTD

ACIS CLO 2014-3 LTD

ACIS CLO 2014-4 LTD

ACIS CLO 2014-5 LTD

ACIS CLO 2015-6 LTD

PLEASE TAKE NOTICE that on July 29, 2018, Robin Phelan (“Trustee”), the Chapter 11 Trustee for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed the *First Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP,*

LLC ("Joint Plan") [Docket No. 441] and *Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the First Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* ("Disclosure Statement") [Docket No. 442].

PLEASE TAKE FURTHER NOTICE that the Plan and Disclosure Statement were filed and then solicited to creditors entitled to vote on the plan on July 30, 2018. For your reference, attached please find copies of the following documents:

1. Joint Plan;
2. Disclosure Statement;
3. Order (i) Conditionally Approving Disclosure Statement, (ii) Scheduling Combined Hearing on Final Approval of Disclosure Statement and Confirmation of Plan, and Setting Related Deadlines, (iii) Approving Forms for Voting and Notice, and (iv) Approving Related Matters; and
4. Notice of (a) Combined Hearing to Consider Final Approval of Disclosure Statement and Confirmation of Plan, (b) Deadline for Submitting Ballots to Accept or Reject the Plan, (c) Deadline for Filing and Service of Objections to Final Approval of Disclosure Statement and Confirmation of Plan, and (d) Related Matters (the "Combined Hearing Notice").

PLEASE TAKE FURTHER NOTICE that the deadlines for any party or party in interest desiring to object to final approval of the Disclosure Statement and/or confirmation of the Plan are set forth in the attached Combined Hearing Notice.

IN THE EVENT YOU ARE ACTING AS AN AGENT OR REPRESENTATIVE OF THE BENEFICIAL OWNERS OF THE NOTES IN THE ABOVE-REFERENCED ACIS CLOS, YOU ARE INSTRUCTED TO PROMPTLY DELIVER THIS NOTICE AND THE ATTACHED MATERIALS TO THE BENEFICIAL OWNERS OF THE NOTES IN THE ACIS CLOS. TIME IS OF THE ESSENCE SO THAT COMPLIANCE WITH THE DEADLINES SET FORTH IN THE COMBINED HEARING NOTICE MAY BE HAD.

Dated: July 30, 2018.

Respectfully submitted,

/s/ Jeff P. Prostok

Jeff P. Prostok
State Bar No. 16352500
J. Robert Forshey
State Bar No. 07264200
Suzanne K. Rosen
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-and-

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**SPECIAL COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document and all referenced documents were served upon the parties receiving ECF Electronic Notice in this case and via First Class, U.S. Mail, postage prepaid, upon the parties on the attached service list and upon the confidential list of sub-noteholders (not attached due to confidentiality) on July 30, 2018.

/s/ Jeff P. Prostok
Jeff P. Prostok

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